

1,941
58 Ag 8

Recess 18

NORTH CAROLINA

Farm Report

COOPERATIVE CROP REPORTING SERVICE

QUESTIONS PERTINENT TO THIS ISSUE

1. WHAT IS THE ESTIMATED 1949 LESPEDEZA SEED PRODUCTION?
2. GIVE THE COMMERCIAL HATCHERY PRODUCTION DURING OCTOBER.
3. HOW DOES FARM INCOME IN 1949 COMPARE WITH LAST YEAR?
4. IS IT PROFITABLE FOR FARMERS TO USE ADDITIONAL FERTILIZER?
5. COMPARE TOBACCO STOCKS ON OCTOBER 1 WITH LAST YEAR.
6. IS THE GROSS FARM INCOME THIS YEAR LIKELY TO EXCEED 1948?
7. IS THE 1950 VEGETABLE OUTLOOK CONSIDERED FAVORABLE?
8. WHAT IS THE NOVEMBER 15 ALL FARM PRODUCTS INDEX?
9. REVIEW TABLE ON FURNITURE PRICES ON PAGE 3.
10. WAS THERE ANY NOTICEABLE CHANGE IN FEED PRICES DURING NOVEMBER?

No. 50

RALEIGH, N. C.

DECEMBER 5, 1949

AGRICULTURAL PRICES AND OTHER CURRENT ITEMS

FARM INCOME DROPS 18 PERCENT

Farmers received about 2.5 billion dollars from farm marketings in September, a little more than in August but 18 percent less than in September 1948. Prices received for farm products averaged a little higher than in August but 14 percent below last September. Marketings in September were smaller than a year ago. For the first 9 months of 1949, farmers' receipts from marketings are estimated at 18.9 billion dollars, or 10 percent less than last year. Prices averaged 12 percent below the same period in 1948, but marketings were slightly greater than last year.

Total receipts for September were at the highest point for any month so far this year. Receipts from livestock and products of 1.3 billion dollars were a little above August but about 16 percent below last year. Cash receipts from meat animals were up seasonally, about 7 percent higher than in August but almost one-fifth below September a year ago. Receipts from dairy products were down a little from August as the seasonal decline in production more than offset a slight increase in prices. They were 16 percent below last September because of lower prices. Poultry and egg receipts in September were about the same as in August; but they were down from last year since prices averaged 46 percent lower as a result of lower prices for chickens and turkeys. Total crop receipts in September were almost a fifth below last year, reflecting lower prices and a smaller volume of marketings. Nearly all crops shared in this decline.

Of the 18.9 billion dollars farmers received during the first 9 months, 11.1 billion were from livestock and products and 7.8 billion from crops. Receipts from livestock and products were down about 11 percent from the same period last year. Farmers' receipts from meat animals were down 12 percent. The volume of meat-animal marketings was about the same but

N. C. 1949 LESPEDEZA SEED CROP ABOVE LAST YEAR

The production of thresher-run lespedeza seed during 1949 in North Carolina is estimated at 41,200,000 pounds. This is 14 percent larger than the 36,000,000 pounds produced last year, and 30 percent greater than the 1938-47 average of 31,785,000 million pounds. The acreage of lespedeza seed harvested in 1949 was less than in 1948.

With an acreage second largest on record, production of lespedeza seed for the Nation this year is forecast at 240,500 pounds of thresher-run seed. This is 1 percent smaller than the large crop of 242,460 pounds last year, but 40 percent larger than the 1938-47 average of 172,026,000 pounds. In 9 of the 15 important producing states, production is indicated to be larger than last year, with increases largest in Kentucky, Tennessee, Alabama, and Indiana.

Current supplies of lespedeza seed, including production this year and carry-over, are 216,396,000 pounds of clean seed. This is 8 percent larger than in 1948 and 23 percent above the 1943-47 average.

HATCHERY PRODUCTION SETS RECORD

North Carolina commercial hatcheries produced 3,291,000 chicks during October. This was the largest October output of record. It was 108 percent larger than the October hatch of last year and 226 percent larger than the 1943-47 average for the month. The previous high output for the month was in October of last year when commercial hatcheries reported 1,584,000 chicks hatched. The demand for chicks for commercial broiler production continues strong.

Production of chicks in North Carolina for the first 10 months (January through October) of this year is estimated at 48,602,000 compared with an output of 33,858,000 during the same period last year--an increase of 44 percent during 1949.

Commercial hatcheries over the Nation were also operating at record levels during October. Total production for the month was estimated at 62,678,000 chicks. This was 34 percent larger than the October hatch of last year which was estimated at 46,810,000 chicks and 64 percent larger than the average.

FARM SCENE IN PIEDMONT NORTH CAROLINA



(Continued on Page 4)

N. C. PRICES RECEIVED INDEX CONTINUES DOWN

The "All Farm Products" index of prices received by North Carolina farmers at local markets decreased from 275 as of October 15 to 249 as of November 15. The same index on November 15 last year was 270.

The drop of 26 points in the "All Farm Products" index was caused by decreased prices in all commodity groups except grains, which remained the same as last month. The cotton and cottonseed commodity group dropped 6 points and resulted from a decrease of one cent per pound in the average price of cotton.

The meat animals index decreased from 331 on October 15 to 312 on November 15. The decrease in this index resulted from a drop of \$1.60 per hundredweight in the price of hogs and a decrease of 80 cents per hundredweight in beef cattle prices. The price of veal calves, sheep and lambs remained the same as last month.

The poultry index decreased 10 points due to a drop of four and half cents per dozen in egg prices.

The dairy products index decreased two points due to a slight drop in prices received for retail milk, butter and butterfat. Wholesale milk prices increased 10 cents per hundred pounds.

The miscellaneous commodity group decreased 5 points during the month ending November 15. This decrease resulted from lower prices received by farmers for soybeans, cowpeas, wool and sweetpotatoes.

The ratio of prices received by North Carolina farmers to prices paid by U. S. farmers declined 11 points during the month ending November 15. Hence, prices received by North Carolina farmers during the month decreased relatively more than prices paid by U. S. farmers.

PRICES RECEIVED BY FARMERS NOVEMBER 15, 1949
WITH COMPARISONS

COMMODITY	UNIT	NORTH CAROLINA		U. S.
		OCTOBER 15, 1949	NOVEMBER 15, 1949	NOVEMBER 15, 1949
			<u>-DOLLARS-</u>	
CORN.....	BU.	1.22	1.13	1.02
WHEAT.....	BU.	1.98	2.06	1.90
OATS.....	BU.	.89	.90	.664
BARLEY.....	BU.	1.25	1.27	1.10
RYE.....	BU.	2.13	2.16	1.25
SOYBEANS.....	BU.	2.00	1.89	1.95
COWPEAS.....	BU.	3.20	3.10	3.15
PEANUTS.....	LB.	.105	.105	.104
COTTON.....	LB.	.295	.285	.277
COTTONSEED.....	TON	41.50	43.50	42.30
WOOL.....	LB.	.50	.47	.46
HOGS.....	CWT.	17.90	16.30	15.60
BEEF CATTLE.....	CWT.	16.90	16.10	19.20
VEAL CALVES.....	CWT.	22.10	22.10	22.00
SHEEP.....	CWT.	10.00	10.00	8.92
LAMBS.....	CWT.	22.20	22.20	21.40
MILK COWS.....	HEAD	129.00	126.00	180.00
CHICKENS.....	LB.	.253	.273	.231
EGGS.....	DOZ.	.605	.56	.471
MILK, WHLSE.....	CWT.	4.95	5.05 1/	4.24
RETAIL.....	QT.	.205	.20	.186
BUTTER.....	LB.	.56	.55	.585
BUTTERFAT.....	LB.	.54	.54	.626
HAY, ALL BALED.....	TON	28.00	28.30	21.50
POTATOES.....	BU.	1.55	1.60	1.34
SWEET POTATOES.....	BU.	2.05	1.85	1.89
APPLES COMMERCIAL.....	BU.	2.00	2.00	1.43
LESPEDEZA SEED...	CWT.	10.30	8.10	-
KOREAN.....	CWT.	8.00	5.50	-
KOE.....	CWT.	12.00	10.00	-
COM. & TENN. 76.....	CWT.	18.00	17.80	-
SERICEA.....	CWT.	20.00	18.00	-

1/ Preliminary

Feed prices in the 1949-50 feeding season are expected to average a little lower than in 1948-49.

Prices received by farmers for potatoes in early '50 probably will average somewhat above support levels because crop in surplus late States this year was about 15 percent smaller than in '48 and supports are lower.

NORTH CAROLINA AND UNITED STATES INDEX NUMBERS
(N. C. PRICES RECEIVED 1909-14 = 100 PERCENT)

COMMODITY	OCT. 15 1949	NOV. 15 1949	NOV. 15 1948	NOV. 15 1947	NOV. 15 1946
N. C. INDEX NUMBERS					
ALL FARM PRODUCTS..	275	249	270	275	276
COTTON & COTTONSEED	226	220	240	258	251
GRAINS.....	164	164	181	246	206
MEAT ANIMALS.....	331	312	383	353	335
POULTRY.....	283	273	315	308	285
DAIRY PRODUCTS.....	229	227	245	238	228
TOBACCO.....	381	308	328	315	342
MISCELLANEOUS.....	216	211	227	231	227
RATIO OF PRICES RECEIVED TO PAID*	115	104	109	114	131
U. S. INDEX NUMBERS					
PRICES RECEIVED....	243	239	271	287	263
PRICES PAID					
INTEREST & TAXES.....	240	240	247	241	211
RATIO OF PRICES RECEIVED TO PAID.....	101	100	110	119	125

*Ratio of N. C. prices received to U. S. prices paid.

U. S. PARITY RATIO AT 100

The Parity Ratio (ratio of prices received by farmers to prices paid, interest, and taxes) dropped to 100 on November 15 for the first time since November 1941. This is 1 point below a month ago and 9 points below November 15 last year.

Continued declines in prices of hogs, soybeans, corn, eggs, and cotton -- only partially offset by a considerable increase in truck crop prices and slight increases for some food grains and dairy products -- brought a 4 point drop from last month in average prices received by farmers. As of November 15, the BAE Index of Prices Received by Farmers was 239 percent of the August 1909--July 1914 base, almost 2 percent below last month, and 12 percent below the 271 of a year ago. Hog prices on November 15 were lower than at any time since price ceilings were removed in mid-summer 1946. Soybean prices are at the lowest point in 5 years.

The Parity Index (Index of Prices Paid, Interest, and Taxes) was unchanged from a month ago, and at 240, is 3 percent lower than a year ago. Higher food, building materials, and furniture prices offset lower average prices for clothing to hold rural living costs unchanged from a month ago. Coffee prices were sharply higher. Pork and lard prices were substantially lower. Feed prices reached the lowest point since May 1946. But prices of building materials used in farm construction rose enough to hold average production unit costs unchanged.

COMPARISON OF U. S. PRICES RECEIVED BY FARMERS
AND PARITY PRICES

COMMODITY	PRICES RECEIVED BY FARMERS		PARITY OR COMPARABLE PRICES		AVERAGE PRICES AS PERCENTAGE OF PARITY	
	OCT. 15 1949	NOV. 15 1949	OCT. 15 1949	NOV. 15 1949	OCT. 15 1949	NOV. 15 1949
-DOLLARS-						
COTTON, LB.....	.287	.277	.297	.297	96	93
WHEAT, BU.....	1.89	1.90	2.12	2.12	89	90
CORN, BU.....	1.09	1.02	1.54	1.54	71	66
OATS, BU.....	.623	.664	.958	.958	65	69
BARLEY, BU.....	1.07	1.10	1.49	1.49	72	74
RYE, BU.....	1.28	1.25	1.73	1.73	74	72
BEEF CATTLE, CWT.	19.50	19.20	13.00	13.00	150	148
HOGS, CWT.....	17.60	15.60	17.40	17.40	101	90
LAMBS, CWT.....	21.50	21.40	14.10	14.10	152	152
CHICKENS, LB....	.232	.231	.274	.274	85	84 2/
EGGS, DOZ.....	.514	.471	.516	.516	86	77
MILK, WHLSE, CWT.	4.16	3.85 1/	3.84	3.84	102	100 2/

1/ Preliminary

2/ Ratio of seasonally adjusted prices to parity prices

AVERAGE PRICES PAID BY NORTH CAROLINA AND UNITED STATES FARMERS WITH COMPARISONS, 1948-49

ITEMS	NORTH CAROLINA			UNITED STATES		
	JUNE 15 1949	SEPT. 15 1949	SEPT. 15 1948	JUNE 15 1949	SEPT. 15 1949	SEPT. 15 1948
-DOLLARS-						
RUGS, AXMINSTER, 9' X 12', EACH.....	65.00	64.00	68.00	68.50	64.00	71.10
RUGS, FELT BASE, 9' X 12', EACH.....	11.00	11.00	12.00	10.40	11.00	10.60
CHAIRS, DINING-ROOM, OAK, EACH.....	5.00	5.30	5.50	5.49	5.30	5.96
TABLES, DINING-ROOM 42" X 54", EACH.....	32.50	35.50	34.00	49.00	35.50	48.70
DINING-ROOM SUITES, EACH.....	215.00	200.00	230.00	200.00	200.00	207.00
LIVING-ROOM SUITES, 2-PC., EACH.....	125.00	125.00	140.00	160.00	125.00	170.00
BEDROOM SUITES, EACH.....	130.00	130.00	130.00	148.00	130.00	157.00
DRESSERS, WITH MIRRORS, EACH.....	33.00	33.00	33.00	38.80	33.00	39.50
BEDSTEADS, METAL, DOUBLE, EACH.....	12.50	13.50	13.50	13.20	13.50	13.50
MATTRESSES 54", FELTED COTTON, EACH.....	21.00	22.00	23.50	20.40	22.00	22.20
BED SPRINGS, DOUBLE, SAGLESS, EACH.....	15.00	15.00	-	15.50	15.00	15.50
KITCHEN CABINETS, EACH.....	51.00	51.00	54.00	53.30	51.00	56.30
STOVES 6 - HOLE, KITCHEN RANGE, EACH.....	78.00	85.00	77.00	106.00	86.00	109.00
WASHING MACHINES, ELECTRIC, EACH.....	125.00	125.00	145.00	121.00	126.00	134.00
REFRIGERATORS, ELECTRIC, EACH.....	210.00	210.00	230.00	-	210.00	-

FURNITURE PRICES DROP BELOW PRICES PAID LAST YEAR

Prices paid by North Carolina farmers for specified furniture items as of September 15 are reported as somewhat under prices paid on the same date last year. All items listed in the table above either dropped below last year's price or remained the same except dining-room tables and kitchen stoves which were reported at a slightly higher price.

Decline in prices were most pronounced in dining-room suites, living-room suites, electric washing machines and electric refrigerators. Generally, most furniture prices showed little change between June 15, 1949 and September 15, 1949, except for a few items that were reported slightly lower.

U. S. FLUE-CURED STOCKS GREATER,
BURLEY CARRYOVER HIGHEST ON RECORD

Marketing of the 1949 flue-cured crop, estimated at somewhat over 1.1 billion pounds, began in July and sales totaled 795 million pounds through September 30 - considerably more than marketed through this date last year. Stocks of flue-cured tobacco were raised to 1,941 million pounds as of October 1, 1949, compared with 1,874 million on October 1, 1948.

Burley tobacco stocks were the highest on record for this quarter, reflecting the large 1948 crop resulting from very heavy yields per acre. Dealers and manufacturers inventories of Burley tobacco were 974 million pounds for an increase of 72 million over the October 1 level a year ago. Disappearance of Burley during the past marketing year (October 1948-September 1949) as indicated by stocks, amounted to 531 million pounds compared with 523 million during the previous marketing year. Exports of Burley tobacco were 41.9 million pounds for an increase of 14.4 million, while indicated domestic consumption of 489 million pounds was slightly under the previous year's figure.

Stocks of Maryland leaf amounted to 54 million pounds on October 1, 1949, a decline of 2 million from a year ago. Marketing of the 1948 Maryland tobacco crop of about 35 million pounds was completed during the third quarter this year. Indicated disappearance of Maryland leaf during the October 1948 - September 1949 period was 37 million pounds compared with 34.3 during the previous year. Exports during the past marketing year were the largest in recent years, amounting 9.1 million pounds compared with 7.3 million exported the year before. Domestic consumption of 27.9 million pounds was slightly greater than for the previous year.

Holdings of Foreign-grown cigarette and smoking tobacco (Turkish and other) totaled 134.2 million pounds this October 1 as against 112.4 million on October 1 last year.

VEGETABLE OUTLOOK FOR 1950

Three factors are dominant in the 1950 outlook for vegetables. One is the upward trend in consumption resulting both from a growing population and increasing per capita consumption of many vegetables. Potatoes and sweetpotatoes are two of the important exceptions to the general rule. The second factor is the continued high level of consumer incomes, expected to be only slightly lower than the record levels of the last year or so. The final factor is the reduced supply of certain vegetables in prospect for early 1950.

On the basis of present crop prospects and stocks, it is probable that total supplies of potatoes, onions, and cabbage available for consumption in the first half of 1950 will be substantially smaller than those available in the first half of 1949. Even with a slightly lower level of consumer income at that time, the prices received by farmers for onions and cabbage, and their prices at retail are expected to be somewhat higher than a year earlier. Prices for potatoes will average considerably above support levels. No general increase in retail prices of canned vegetables is expected although aggregate supplies in prospect are smaller. On the other hand, larger supplies - lower prices - are in prospect for dry edible beans and sweetpotatoes. Smaller supplies of dry field peas are expected to be more than offset by reduced demand for export.

FEED PRICES DECREASE DURING MONTH

Prices paid by Tar Heel farmers for most high protein and grain by-products feeds decreased during the month ending November 15. Cottonseed meal increased 10 cents per hundred pounds and was the only reported feed to show an increase during the month. Corn meal, laying mash and scratch grain decreased 15 cents per hundred pounds (see table below). Bran, middlings, 18 and 20 percent mixed dairy feed decreased 5 cents per hundred pounds.

FEED PRICES PAID BY FARMERS NOV. 15, 1949
WITH COMPARISONS

FEED PER HUNDRED WEIGHT	NORTH CAROLINA		UNITED STATES	
	OCT. 15 1949	NOV. 15 1949	OCT. 15 1949	NOV. 15 1949
DOLLARS				
BRAN.....	3.35	3.30	2.83	2.80
MIDDINGS.....	3.60	3.55	3.12	3.01
CORN MEAL.....	3.95	3.80	3.24	3.08
COTTONSEED MEAL....	3.30	3.40	3.74	3.80
MIXED DAIRY FEED:				
16% PROTEIN.....	3.40	3.40	3.39	3.38
18% PROTEIN.....	3.70	3.65	3.57	3.53
20% PROTEIN.....	3.85	3.80	3.67	3.62
LAYING MASH.....	4.85	4.70	4.48	4.38
SCRATCH GRAIN.....	4.15	4.00	3.76	3.68
MEAT SCRAP.....	7.20	6.90	6.83	6.48

FARM REPORT

OFFICIAL BUSINESS

FORM BAE-A-12-49-8,500
PERMIT No. 1001

Released By The
UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
W. F. Callander, Assistant Chief
and published by the
NORTH CAROLINA DEPARTMENT OF AGRICULTURE
Division of Statistics
L. Y. Ballentine, Commissioner of Agriculture

Issued Semi-Monthly Through The
Crop Reporting Service at Raleigh
Frank Parker, Statistician in Charge

PRIMARILY FOR DISTRIBUTION TO
CROP REPORTERS AND AGRICULTURAL LEADERS

INFORMATION DIRECT FROM FARMERS
AND OTHER LOCAL SOURCES

LIBRARY,
U. S. DEPT. AGRICULTURE,
WASHINGTON, D. C.

DECEMBER 1949

FARM REPORT

PAGE 4

FARM INCOME (Continued)

prices were substantially lower. Receipts from dairy products were 17 percent below last year, although marketings were a little larger. Cash receipts from chickens and turkeys were a little less than in 1948 and receipts from eggs were about the same. The 9-month total of crop receipts was down about 6 percent. Smaller marketings together with marked price declines brought receipts from wheat and vegetables down sharply. Oil-bearing crops were also down because of lower prices.

U.S. GROSS FARM INCOME EXPECTED TO DECLINE ABOUT 10 PERCENT

Gross farm income in 1949--the sum of cash receipts from farm marketings, the value of home-consumed farm products, the rental value of farm dwellings, and Government payments--is estimated at around 32.0 billion dollars as compared with 35.3 billion last year. As average prices of farm products are down this year, the value of products consumed in farm households will be lower along with cash receipts from marketings. The rental value of dwellings may be about the same as last year, but Government payments will be considerably lower because of reduced conservation payments.

A further decline in gross income is in prospect for 1950--possibly by as much as 10 percent. If average prices are lower, the value of home consumption will again be down along with cash receipts. Government payments will be increased next year; but the rental value of farm dwellings may be down a little along with the total value of farm real estate.

FERTILIZER PRICES UNCHANGED

Fertilizer prices in 1950 probably will be near present levels. Farmers paid about 4 percent more in 1949 than in 1948; 10 percent more in 1948 than in 1947 and 11 percent more in 1947 than in 1946. For the past several years use of fertilizer in terms of plant nutrients has increased on an average of about 10 percent per year, with considerable variation from year to year depending on availability. Quantities of fertilizer used in 1949 were the highest on record, and the fertilizer industry has capacity to produce even larger amounts. Capacity within the industry could produce 15 to 25 percent more nitrogen, 10 to 15 percent more phosphates and about 10 percent more potash for use in 1950 than was used in 1949. Despite this, some tight spots may show up with respect to availability of potash and some specific mixtures.

Even though prices of many farm products are declining, more fertilizer can be used profitably in many areas on crops that heretofore have not received much fertilizer, such as feed crops and pastures. This is particularly true if residual effects of fertilizer are taken into account.

Close attention to yield response to different rates of fertilizer application, the value of the additional product obtained from the use of the fertilizer and the cost of the fertilizer are important factors to consider in determining the most profitable level of expenditure for fertilizer in the year ahead. There are many acres of land on which fertilizer use is far below quantities that would pay. The amount of fertilizer that can be used profitably differs from farm to farm.

Through the first half of 1950, eggs will be more plentiful than in 1949.

CASH RECEIPTS FROM MARKETINGS LIKELY TO DROP IN 1950

Farmers may receive around 10 percent less from marketings in 1950 than they are receiving in 1949. The general demand for farm products is likely to remain fairly high next year, but at a slightly lower level than in 1949. It is expected that the need for large exports of some of the important commodities like wheat, tobacco, and cotton will continue through most of the year. But the slight downward tendency in economic activity and employment which has been in effect throughout most of 1949 is likely to continue into 1950, exerting a further downward pressure on domestic demand and farm prices. Prices may average as much as 10 percent below this year's average, with some decline likely for nearly all groups of commodities.

The total volume of farm marketings is also likely to be slightly less next year than in 1949. Although the large 1949 crops will help to maintain the level of crop marketings in the first half of the year, the production control programs now in prospect probably will result in lower crop sales during the latter part of 1950 than in the same period this year; and crop marketings for the year as a whole may be somewhat below 1949. The volume of livestock and livestock products marketed next year, however, may be slightly greater than that marketed this year. Sales of poultry and eggs and marketings of dairy products are likely to be about as high as in 1949. Hog marketings in 1950 may exceed this year because of the relatively large 1949 pig crop and the expected large 1950 spring crop. Total marketings of meat animals next year may be a little larger than those of this year.